

ROBERT ARCHIE CRAGIE

LIST OF DIRECTORSHIPS

Bellway p.l.c.
Bellway Conversions Limited
Bellway (North London)Limited
Bellway (South East)Limited

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BELLWAY CONVERSIONS LIMITED	
COMPANIES HOUSE	DIRECTORS' REPORT AND ACCOUNTS
02 JUL 1988	
M	31ST JULY, 1988

PEAT MARWICK McLINTOCK

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1 Puddle Dock, Blackfriars, London EC4V 3PD

BELLWAY CONVERSIONS LIMITEDDIRECTORS' REPORT

The directors present their annual report and the audited accounts for the year ended 31st July, 1988.

PRINCIPAL ACTIVITY

The principal activity of the company is building houses and flats. There has been no significant change in this activity during the year.

BUSINESS REVIEW

The company did not undertake any developments during the year and no developments are currently planned for the coming year.

PROFIT AND DIVIDENDS

The company made a profit after taxation for the year of £654 (1987: £417), which is retained in the company.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year were:

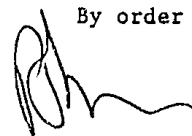
K. Bell (Chairman)
R.A. Cragie (Managing Director)
R.C.N. Parr
B. Karim
H.C. Dawe

None of the directors have any interest in the share capital of the company. The interests of Mr. K. Bell, Mr. R.A. Cragie and Mr. H.C. Dawe, in the share capital of Bellway p.l.c. are included in the directors' report of that company. The interests of the other directors in the share capital of Bellway plc, are as follows:

	Share options in Bellway p.l.c. of 25p ordinary shares	
	<u>1988</u>	<u>1987</u>
	£	£
R.C.N. Parr	40,412	30,412
B. Karim	12,412	12,412

B. Karim holds 2,000 25p ordinary shares in Bellway p.l.c. (1987: 2,000).

By order of the board,



Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF
BELLWAY CONVERSIONS LIMITED

We have audited the accounts on pages 3 to 6 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st July, 1988 and of its profit for the year to that date and have been properly prepared in accordance with the Companies Act 1985.

LONDON

Chartered Accountants

BELLWAY CONVERSIONS LIMITED

Page 3

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY, 1988

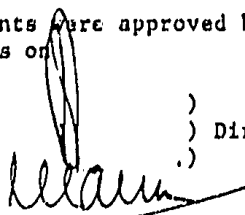
	<u>Note</u>	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
TURNOVER	1	1,080	721
Cost of sales		(197)	(183)
GROSS PROFIT		<u>883</u>	<u>538</u>
Administrative expenses		-	44
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>883</u>	<u>582</u>
Tax on profit on ordinary activities	3	(229)	(165)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>654</u>	<u>417</u>
Profit and loss account brought forward		417	-
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		<u>1,071</u>	<u>417</u>

The notes on pages 5 and 6 form part of these accounts.

BELLWAY CONVERSIONS LIMITEDBALANCE SHEET AT 31ST JULY, 1988

	<u>Note</u>	£	1988 £	£	1987 £
FIXED ASSETS					
Tangible assets	4		5,670		5,670
CURRENT ASSETS					
Debtors	5	158,556		176,145	
Cash at bank and in hand		<u>104</u>		<u>104</u>	
		158,660		176,249	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	<u>(163,159)</u>		<u>(181,402)</u>	
NET CURRENT LIABILITIES			(4,499)		(5,153)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,171</u> =====		<u>517</u> =====
CAPITAL AND RESERVES					
Called up share capital	7		100		100
Profit and loss account			1,071		417
			<u>1,171</u> =====		<u>517</u> =====

These accounts were approved by the board
of directors on

)
) Directors

The notes on pages 5 and 6 form part of these accounts.

BELLWAY CONVERSIONS LIMITEDNOTES TO THE ACCOUNTS1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts:

(a) Basis of accounting

The accounts have been prepared under the historical cost accounting rules adjusted to incorporate the valuation of land held as a fixed asset.

(b) Turnover

Turnover represents ground rents received.

(c) Depreciation

Freehold land is not depreciated.

2. EMOLUMENTS OF DIRECTORS AND EMPLOYEES

The company did not employ any staff during 1988 and 1987, and no emoluments were paid during those periods to the directors.

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1988</u> £	<u>1987</u> £
Taxation on the profit of the company:		
Corporation tax at 26 1/3% (1986: 28 1/3%)	233	165
Prior year adjustment	(4)	-
	<u>229</u> =====	<u>165</u> =====

4. TANGIBLE FIXED ASSETS

	£
Valuation at 31st July 1987 and 1988	5,670 =====

Freehold land represents ground rents which have been capitalised at five and a quarter times the annual ground rent receivable.

5. DEBTORS

	<u>1988</u> £	<u>1987</u> £
Other debtors	563	506
Amounts owed by group companies	157,993	175,639
	<u>158,556</u> =====	<u>176,145</u> =====

BELLWAY CONVERSIONS LIMITEDNOTE TO THE ACCOUNTS6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Amounts owed to group companies	163,159	181,402
	=====	=====

7. SHARE CAPITAL

	<u>1988</u>	<u>1987</u>
	<u>£</u>	<u>£</u>
Authorised, allotted, called up and fully paid:		
Ordinary shares of £1 each	100	100
	=====	=====

8. CONTINGENCIES

The company is liable, jointly and severally with other members of the group, under guarantees given to the group's bankers in respect of overdrafts, loans and guarantees given by the banks to or on behalf of other group companies. At 31st July, 1988 these banks overdrafts amounted to £4,951,870 (1987: £828,764) and loans were £1,000,000 (1987: £Nil).

No valuable security has been given in respect of these guarantees.

9. ULTIMATE HOLDING COMPANY

The ultimate holding company is Bellway p.l.c., a company incorporated in Great Britain.